

MEMORANDUM

TO: Mayor Craig Brown and Members of Council

CC: City Manager Office, Executive Leadership Team, City Attorney Office

FROM: Sally Bakko, Director of Policy and Governmental Relations

DATE: December 8, 2023

RE: Legislative Report: Austin and Washington Update

Please find below an update on legislative activities in Austin and Washington. *(To access links below, control+click on link.)*

Gulf Coast Protection District (GCPD) Update

The [Gulf Coast Protection District](#) Board of Directors will meet at 10:00 am on Wednesday, December 13, 2023, at the Kaila M. Sullivan Chapel & Hall, 5000 NASA Rd 1, Seabrook. [Access agenda](#) and you may watch and listen to the meeting via the live broadcast. [View Live Stream](#)

▪ GCPD Meetings in Washington DC

In my GCPD board director role, I joined GCPD Board President Mayor Michel Bechtel and GCPD Executive Director Nicole Sunstrum for visits in Washington DC to secure \$269 million in Infrastructure Investment and Jobs Act/Bipartisan Infrastructure Law (IIJA/BIL) funding for the U.S. Army Corps of Engineers' (USACE) Coastal Texas Project. Joining GCPD, was Greater Houston Port Bureau representatives: Brent Netland, current Board Chairman (Intercontinental Terminals Company LLC); Vincent DiCosimo, in-coming Board Chairman; and Port Bureau President Eric Carrero, USCG CAPT Ret., and USACE-Galveston District Col. Rhett Blackmon and Lt. Col. Ian O'Sullivan. They were a valuable addition to the team who brought a tremendous expertise to the commerce and supply chain implications and protections of the Coastal Texas Project.

The BIL funding request, a strategic balance of tasks that presents the quickest path to competing for Construction Account funds during the annual USACE appropriations process, allows for the following work to start in Year 1: 1) Bolivar Roads Gates System work on Acquisition Strategy, National Environmental Policy Act (NEPA) Scoping, and Scoping Delivery Plan; 2) Galveston Bolivar Beaches and Dunes (NEPA and Sand Sourcing); and in Years 1-3, South Padre Island beach and dune, and completion of eco-restoration projects (NEPA compliance is already completed).

Decisions on how the unallocated BIL funds will be invested involve the Office of Management and Budget (OMB) and USACE Headquarters. The unallocated BIL fund for the USACE, while already appropriated, will be tied to the President's FY 2025 Budget Request which is expected to be released in February/March.

We met with Office of Management and Budget (OMB) staff Kelly Colyar (Water and Power Branch Chief at OMB) and Gary Waxman as well as staff with Senator John Cornyn, Rep. Randy Weber, and Rep. Henry Cuellar. Spearheaded by Rep. Weber and Rep. Cuellar, a bipartisan support letter to OMB and the White House Infrastructure Implementation Team Lead has been signed by 25 of the 38 members of the Texas Delegation (**Texas delegation letter attached**). We had a productive discussion (an hour and a half!) with

Stacey Brown, Deputy Assistant Secretary of the Army for Civil Works (Management and Budget). Ms. Brown provided some very helpful input and guidance.

During all visits, we provided a packet that includes details of the funding request, the 21 state-specific factsheets that outline the supply chain implications and protections of the Coastal Texas Project, and BIL Funding Request support letters (Texas Association of Manufacturers, Texas Chemical Council, Dow Chemical, North Texas Commission, Galveston Regional Chamber of Commerce, and the City of Galveston). Other organizations have submitted letters separately and we continue to work to gather additional letters.

San Jacinto Region 6 Regional Flood Planning Group Update

The San Jacinto Region 6 Regional Flood Planning Group (SJRFPG) will meet at 9:00 am at the United Way of Greater Houston, 50 Waugh Drive, Houston, on **Thursday, December 14, 2023**. You can participate in the meeting online, please register at: [Registration Link](#) for login information. The SJRFPG will receive an update on comments received from the Texas Water Development Board (TWDB) on the submitted Region 6 Regional Flood Plan, preparations for the 2028 Regional Flood Planning Cycle, and a presentation on the TWDB Draft FY2024-2025 Flood Infrastructure Fund Intended Use Plan. [See agenda](#).

Austin Update

Texas Legislature – 4th Special Session Action

▪ Public Education, School Choice, and other Bills Failed

Legislators adjourned sine die ending the 4th Special Session of the Texas Legislature on Tuesday, December 5th, without further action on Education Savings Account (a.k.a. vouchers) legislation. In addition, the House took no action on the Senate passed SB 5, which would spend \$800 million on school safety measures through 2025, and Senate Bill 6, which would change the timeline of a trial after an election contest is filed by a citizen or group. The question remains whether Governor Abbott will call legislators back for a 5th Special Session.

▪ Bills Passed

SB 3 (Huffman/Jetton) Sent to the Governor. Legislation provides \$1.5 billion in funding for border security operations and the construction of a border wall and \$40 million to the Department of Public Safety for border security operations and to ensure public safety and security in the Colony Ridge development in Liberty County. Funds may also be used as grants to local governments and local law enforcement agencies to alleviate costs associated with an increased demand on local prosecutorial, judicial, and correctional resources.

SB 4 (Perry/Spiller). Sent to the Governor. The legislation establishes the offenses of illegal entry and illegal reentry into the state and would allow judges and magistrates to order certain persons to return to the foreign nation from which they entered in lieu of prosecution or adjudication. The bill also would establish provisions related to immunity for and the indemnification of government officials, employees, and contractors for actions taken to enforce the bill.

TWDB Seeks Public Comment on Flood Infrastructure Fund Intended Use Plan

The Texas Water Development Board (TWDB) invites stakeholders to review and comment on the [Proposed Flood Infrastructure Fund \(FIF\) SFY 2024-2025 Intended Use Plan \(IUP\)](#), which includes information on eligibility, minimum standards, program timeline, financial assistance categories, prioritization criteria, and additional information. Comments on the IUP should be submitted to FIF@twdb.texas.gov by **January 1**.

Increasingly, the Texas Legislature has entrusted the TWDB with responsibilities related to funding flood mitigation projects and planning for future flood events. During the 88th Texas Legislature Regular Session, legislators appropriated \$625 million to the FIF to finance flood mitigation projects included in the state's first flood plan, due to the Legislature in September 2024. The FIF program, created by the Legislature in 2019, includes the following funding categories:

- [Category 1 – Flood Protection Planning for Watersheds](#)
- [Category 2 – Planning, Acquisition, Design, Construction, Rehabilitation](#)
- [Category 3 – Federal Award Matching Funds](#)
- [Category 4 – Measures Immediately Effective in Protecting Life and Property](#)

In mid-December, the 2024-2025 FIF abridged application will be posted on the [FIF webpage](#) and the solicitation period will commence. These short applications provide information the TWDB needs to complete prioritization of the projects. Projects that receive priority for financial assistance will be invited to submit a complete application. If you can sign up for the [TWDB mailing list](#) and check the box for "TWDB Flood" to receive all flood-related information and updates.

Reminder – TWDB FY 2023 Flood Mitigation Assistance Grants – [Applications due January 8](#)

Judge blocks Dallas from banning short-term rental properties in single-family areas

(As reported by the Dallas Morning News)

A Dallas County judge says Dallas can't start enforcing new regulations that would ban short-term rental properties from single-family zoned areas because they infringe on property owners' rights and are an example of government overreach. District Court Judge Monica Purdy on Wednesday signed a temporary injunction order saying a group of STR operators suing the city over the new rules had proven that they would likely prevail on their assertions that the new city regulations are unconstitutional. "Unless the city is enjoined from enforcing the STR ordinances, there is a substantial risk of probable, imminent and irreparable injuries to plaintiffs because plaintiffs, and the vast majority of other STR owners in Dallas, will immediately lose the ability to lease their property for less than 30 days," Purdy's order said. The city planned to start enforcing the zoning change Dec. 13, the order said. The judge set a non-jury trial for June 3, 2024, for the ongoing lawsuit. The nonprofit Dallas Short-Term Rental Alliance and four operators, who list their properties on platforms like Airbnb and Vrbo, sued the city on Oct. 2 arguing the new regulations were unconstitutional and alleged other violations, including that they illegally discriminate against STR owners and operators. City attorneys asking Purdy to deny the temporary injunction request said blocking the new rules would stop Dallas from "advancing its legitimate and compelling governmental interests." "Plaintiffs freely admit that their STRs are businesses that they operate in residentially-zoned neighborhoods," the city's response said. "But plaintiffs are not just operating such businesses out of their homes — the homes are the businesses."

Texas Windstorm Insurance Association (TWIA) Board Meets on December 12

The Texas Windstorm Insurance Association (TWIA) Board of Directors will meet in Corpus Christi at 9:00 am on Tuesday, December 12, 2023. Among the [Meeting Agenda](#) items include:

- A vote by the Board on TWIA's 2024 budget.
- Presentation of updates and possible action on a study of insurance agent commissions, which was previously requested by the Board.
- A staff update on changes in building costs impacting the Association's Automatic Adjusted Building Cost Endorsement, which will result in coverage and premium increases for most policy renewals next year.

The public may attend and make public comment in person at the Omni Hotel in Corpus Christi or virtually via [Zoom](#). Written comments can be submitted via email at PublicComment@TWIA.org. Interested parties are encouraged to submit comments by **noon on Friday, December 8**, to enable the Board to receive and review them before the December 12 meeting.

Comptroller Announces Update to List of Companies Engaging in Scrutinized Business Operations in Iran

Texas Comptroller Glenn Hegar announced an updated [list of companies](#) engaging in scrutinized business operations in Iran. Listed companies are subject to the provisions outlined in Texas Government Code Chapter 2270, which prohibit state governmental entities from contracting with these listed companies and require state and local governments to divest from these companies. State governmental entities subject to the investment prohibitions and divestment requirements include the Employees Retirement System of Texas, Teacher Retirement System of Texas and political subdivisions of the state.

Washington Update

FY 2024 Appropriations Update

- **FY 2024 Transportation, Housing and Urban Development (THUD) Appropriations bill**

The THUD appropriations bill is the legislative vehicle that holds the transit, community development, and HOME program formula funds received by the City of Galveston. The Senate has passed their version of the FY 2024 THUD Appropriations bill, while the House has struggled to act on their bill due to disagreements over Amtrak funding cuts.

- **Continuing Resolution (CR) and Full Year Appropriations Status**

Once again, the House and Senate took no further action on government funding bills this week. Considering the first CR expiration on January 19th, the number of legislative days available to reach agreement and fund the government to avoid a partial government shutdown is dwindling. As a reminder, the January 19th deadline is one of a two-part deadline scenario to fund agencies covered under four (4) of the twelve appropriations bills, with the rest expiring two weeks later (Feb. 2). The House has yet to pass five (5) and the Senate eight (8) of the 12 annual appropriations bills ahead of the next government funding deadline in January.

Under the debt ceiling agreement negotiated earlier this year that set spending limits for FY 2024, automatic one (1) percent across-the-board funding reductions would hit federal agencies on April 30, if any part of the government is operating under a short-term CR “for part of” the fiscal year. However, a full year CR until the end of the fiscal year could still trigger even deeper cuts that would include defense and non-defense programs covered under the regular appropriations bills. With House Speaker Mike Johnson’s pledge to avoid any more short-term CRs, either an agreement is reached on full-year bills or a full-year CR or a partial government shutdown is triggered.

No indication yet that an agreement on defense and non-defense spending limits is imminent. When Congress returns after the weekend, they will have one more week with both chambers in session prior to the scheduled Christmas recess to settle on numbers the Appropriations Committees could use to advance their final bills. Otherwise, it could be exceedingly difficult to pass all 12 spending bills by the two-tiered Jan. 19th and Feb. 2nd deadlines.

EPA Proposes Regulations to Replace Lead Service Lines, Lower the Action Level

The Environmental Protection Agency (EPA) [announced](#) a proposal to strengthen the Lead and Copper Rule, requiring water systems across the country to replace lead service lines within 10 years. EPA is also proposing other changes including lowering the lead action level and improving sampling protocols utilized by water systems. The rule does not include funding but the announcement notes funding available through the *Infrastructure Investment and Jobs Act* (IIJA) for lead service line replacement. Comments on the proposal may be submitted for 60 days following publication in the *Federal Register*. Additional information can be found [here](#).

FTA State Safety Oversight Notice of Proposed Rulemaking Overview Webinar – Presentation and Recorded Webinar

The [presentation](#) and [recording](#) from the Federal Transit Administration (FTA) State Safety Oversight (SSO) Notice of Proposed Rulemaking (NPRM) Overview webinar held on November 30, 2023 are now available. FTA discussed proposed new requirements for the State Safety Oversight regulation and how the public can submit comments to the Federal Register on the proposed changes. FTA published an NPRM in the [Federal Register](#) proposing updates to SSO regulation requirements. The proposed changes included ensuring that State Safety Oversight Agencies (SSOAs) have the authority to enter rail transit facilities without prior notice to perform safety inspections; requiring SSOAs to collect safety data from the rail transit systems they oversee; and developing and implementing risk-based inspection programs. In addition, the NPRM also proposes updates and clarifications to the current regulation including simplified requirements for the types of safety events that rail transit agencies must report to their SSOA and FTA within two hours of their occurrence. The public comments are **due January 16, 2024**.

Reports of Interest

[Just the Facts: Property Taxes in Texas' Most Populous Cities, Counties, and School Districts, 3rd Edition](#)
Texas Public Policy Foundation, December 2023

US Census Bureau New 2018-2022 American Community Survey 5-Year Estimates are now available on data.census.gov

[American Association of State Highway and Transportation Officials Comments on FEMA Floodplain Rulemaking](#)
December 8, 2023